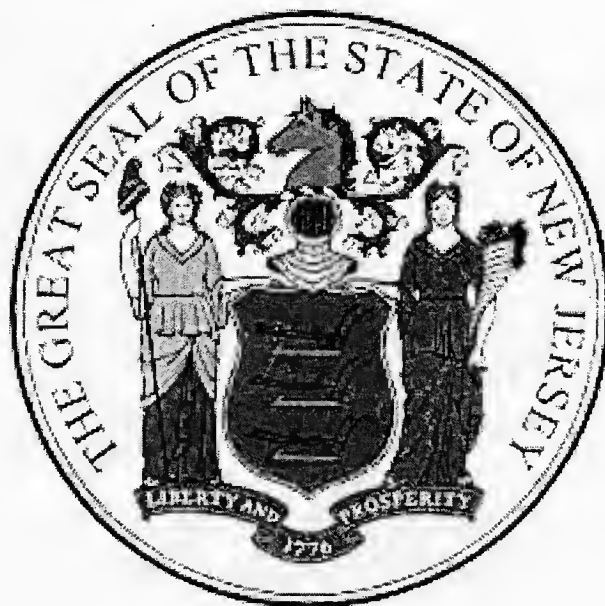


ENTRANCE TO NEW JERSEY BUSINESS ENTERPRISE
FOR FOREIGN ENTITIES



RUTGERS LAW LIBRARY

JUL 13 2017

NEWARK

by
Genevieve K. LaRobardier

TABLE OF CONTENTS

Page

INTRODUCTION: Entrance to New Jersey Business Enterprise.....	1
CHAPTER I – NEW JERSEY IN THE INTERNATIONAL BUSINESS ARENA.....	1
New Jersey’s Five Foreign Trade Zones	2
The “Garden State”	2
CHAPTER II – NEW JERSEY IN U.S. FEDERAL REPUBLIC.....	2
Federal Legislative Powers	3
Federal Executive Powers.....	3
Federal Judiciary	3
CHAPTER III – NEW JERSEY STATE GOVERNMENT STRUCTURE	3
CHAPTER IV –INTERNATIONAL BUSINESS OVERSIGHT IN U.S/N.J.	4
Which Courts for Which Claims?	4
U.S. State Court of International Trade	5
Which Law Applies?.....	5
Administrative Regulations	6
Applicable U.S. Treaties	6
Antitrust Regulation.....	6
CHAPTER V – THE FOREIGN SUPPLIER.....	7
Current U.S. Customs Processing.....	7
Entry Processing	8
Classification.....	9
Valuation of Goods for Import Duties and Fees	9
Country of Origin.....	9
Enforcement of U.S. Customs Law	10
Antidumping	10
Subsidization; Countervailing Duties	11
Presidential Role in Trade Protection	11
Section 201 Action.....	11

Restraint Agreements	11
Section 301 Proceedings	11
Multi-Fiber Arrangement	11
Textile Restraint Enforcement	11
Agricultural Quotas	11
Handling Goods Previously Imported into U.S.	12
Drawback	12
Temporary Imports	12
Foreign Trade Zones	12
Export Licenses	12
International Cooperation	12
CHAPTER VI – FOREIGN TRADE ENTERPRISE IN NEW JERSEY	12
Foreign Source Sales	13
Sales Agencies	13
Distributors	13
Franchises	14
Licensing	14
Affiliated Business Entity	15
CHAPTER VII – LEGAL STRUCTURE FOR BUSINESS IN NEW JERSEY	15
Subsidiary of Foreign Parent Company	15
Structuring a Corporate Subsidiary in New Jersey	16
Capital Requirements	16
Corporate Governance	16
Dividend Power	17
Required Records	17
Branch Operation of Foreign Corporation	18
Partnership	18
General Partnership	18
Limited Partnership	19
Joint Venture	20
Sole Proprietorship	20
Business Trust	21

CHAPTER VIII – TAXATION.....	21
Residency.....	21
Tax Treaties	22
Taxation of Foreign Investors.....	22
Other Tax Considerations	24
Immigration and Federal Taxation.....	25
Federal Estate, Trusts, and Gift Taxation	25
State and Local Taxes	26
Corporate Business Tax	26
Industry Support.....	26
Tax Returns.....	27
Individual Taxation.....	27
Real Property Taxes.....	27
CHAPTER IX – INTELLECTUAL PROPERTY.....	27
Patents.....	27
Patent Infringement and Remedies	28
Copyright	28
Registration Process, Benefits, and Notice	29
Copyright Infringement	29
Foreign Copyright Protection	29
Mask Works.....	30
Trademarks, Service Marks, Sound Marks.....	30
USPTO Mark Registration.....	30
Service and Sound Marks	31
State Marks Registration.....	31
Trade Secrets.....	31
Conclusion on IP Rights	32
CHAPTER X – FAIR TRADE LAWS.....	32
Antitrust Penalties and Remedies	34
Criminal Enforcement.....	34
Civil Remedies.....	34
State Statutes.....	35

CHAPTER XI – GOVERNMENT REPORTING AND U.S. SECURITY COMPLIANCE	35
Federal Reporting Laws.....	35
Agricultural Foreign Investment Disclosure Act (AFIDA) of 1978.....	35
Currency Transfer Reporting	36
U.S. Government International Investment and Trade Data.....	36
Portfolio Investments	36
Improved Disclosure Act	37
U.S. Presidential Role in Foreign Investment Oversight.....	37
Compliance with Office of Federal Assets Control Sanctions	38
New Jersey State Reporting Requirements.....	38
Certificate of Authority To Do Business	38
Taxation	38
Trade Name.....	38
Payroll Permit	38
Unemployment and Disability Insurance.....	38
Office of Business Advocacy.....	39
Localized New Jersey Business Concerns	39
CHAPTER XII – IMMIGRATION CONSIDERATIONS	39
Immigrant Visas.....	40
Non-Immigrant Visas.....	40
INS Enforcement	41
Due Diligence and Immigration Enforcement	41
CHAPTER XIII – LABOR AND EMPLOYMENT LAW	41
Federal Labor Law.....	42
New Jersey Employment and Labor Laws	43
Unemployment Compensation.....	43
New Jersey Disability Compensation	43
Workers’ Compensation	43
Employee Testing	44
CHAPTER XIV – REAL PROPERTY	44
Lease	44
Purchase of Property	44
Protection of Freshwater Wetlands	45

New Jersey Municipal Land Use Law	45
Financing Real Estate Ventures	45
New Jersey's Foreign Trade Zones	45
New Jersey's EDA for Economic Benefits	45
Usury Laws	46
State Real Property Development Review	46
CHAPTER XV – ENVIRONMENTAL PROTECTION	46
New Jersey Environmental Statutes	46
Industrial Site Recovery Act (ISRA)	46
N.J. Underground Storage of Hazardous Substances Act	47
Spill Compensation and Control Act	47
Federal Environmental Laws	47
Comprehensive Environmental Response, Compensation & Liability Act (CERCLA)	47
Resource Conservation and Recovery Act (RCRA)	47
CHAPTER XVI – BUSINESS TORTS ISSUES	48
Liability	48
Product Liability	48
Classes of Defects	49
Design	49
Manufacturing	49
Misuse	49
Who Is Liable?	49
Manufacturers: designers, distributors, and/or sellers	49
Lessor of a Product	49
Tort Litigation	49
Procedure	49
Substance of Liability Charges	50
Industry Practice	50
Warnings	50
Compliance with Regulations	50
Liability of Others	50
Liability for Component Parts to Complete a Product	51
Liability for Products by Predecessor	51
Liability of Rebuilder per Customer's Specification	51
Significance of Product Improvements	51

Early Warnings	51
Indemnification	51
Insurance	51
CHAPTER XVII – CONTRACT LAW	52
Uniform Commercial Code.....	52
UN Convention on Contracts for International Sale of Goods (CISG)	53
CHAPTER XVIII – DISPUTE RESOLUTION AND ALTERNATIVES	53
Litigation.....	53
Pretrial Process.....	54
Appellate Proceedings	54
State Court Judgments	55
Alternate Dispute Resolution	55
Arbitration.....	55
Alternative Dispute Resolution in New Jersey	56
Alternatives to Arbitration	56
Mediation-Arbitration	56
Investigation.....	56
Mini-Trial.....	56
Advisory Arbitration.....	57
Perspective on Inclusion of Arbitration Clause in Contracts.....	57
Dedication	58
Authors of <u>New Jersey: A Basic Legal Guide for Foreign Business</u> 1991	58